

Message Text

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ACTION COME-00

INFO OCT-01 EA-09 ISO-00 EB-07 AGR-10 IO-13 AID-05 TRSE-00

AGRE-00 /045 W

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R 300340Z SEP 76

FM AMEMBASSY RANGOON

TO SECSTATE WASHDC 2357

INFO AMEMBASSY MANILA

AMCONSUL MANDALAY

UNCLAS SECTION 1 OF 2 RANGOON 3302

E.O. 11652: N/A

TAGS: BENC, EAID, EFIN, ADB, BM

SUBJ: MAJOR PROJECTS: FOREST INDUSTRIES: ADB LOAN

REF: (A) STATE 210614, (B) MANILA 12968, (C) RANGOON 2986

SUMMARY

ADB AND GUB RECENTLY SIGNED MEMORANDUM OF UNDERSTANDING FOR \$25 MILLION LOAN FOR UPPER BURMA FORESTRY PROJECT. PROJECT WHICH STILL MUST BE APPROVED BY ADB IS TO BEGIN EARLY 1977 AND BE COMPLETED BY END OF 1982. PROPOSED PROJECT WILL PROVIDE OPPORTUNITIES FOR U.S. CONSULTANTS (RECRUITED ON INDIVIDUAL BASIS) AND U.S. SUPPLIERS OF TIMBER EXTRACTION, ROAD CONSTRUCTION, TRANSPORT AND OTHER CAPITAL EQUIPMENT. THIS CABLE PROVIDES DRAFT TERMS OF REFERENCE FOR CONSULTANTS AND A LIST OF EQUIPMENT TO BE PROCURED UNDER THE LOAN. END SUMMARY.

1. ON SEPTEMBER 15, 1976 GUB AND ADB SIGNED MEMORANDUM OF UNDERSTANDING FOR UPPER BURMA FORESTRY PROJECT. THE AGREEMENT WHICH MUST STILL BE APPROVED BY THE ADB CALLS FOR A LOAN OF \$25.1 MILLION FROM ADB'S SPECIAL FUND RESOURCES. TIMBER CORPORATION WILL BE EXECUTING AGENCY. PROJECT WHICH IS LOCATED IN CENTRAL UPPER BURMA (SAGAING DIVISION) INCLUDES CONSTRUCTION AND UPGRADING OF ACCESS ROADS; REHABILITATION OF LOGGING AND HAULAGE EQUIPMENT; PROCUREMENT OF NEW EQUIPMENT AND HAULAGE TRUCKS; ESTABLISHMENT OF WORKSHOPS;

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AND REHABILITATION AND MODERNIZATION OF SAWMILLS.

2. THE PROJECT IS SCHEDULED TO BE COMPLETED BY THE END OF 1982. FIRST PROCUREMENTS WILL BE SPARES FOR EXISTING EQUIPMENT AND RECRUITMENT OF CONSULTANTS. TENDERS FOR THE FIRST BATCH OF EXTRACTION, ROAD BUILDING AND TRANSPORT EQUIPMENT WILL BE INVITED IN EARLY 1977. ROAD CONSTRUCTION WILL BEGIN IN LATE 1977. REHABILITATION OF SAWMILLS AND ESTABLISHMENT OF MOBILE SAWMILLS WILL BE PHASED OVER THE IMPLEMENTATION PERIOD.

3. THE TIMBER CORPORATION WILL ENGAGE FOUR CONSULTANTS IN THE FIELDS OF MAINTENANCE ENGINEERING (3 YEARS), ROAD CONSTRUCTION (3 YEARS), HARDWOOD UTILIZATION AND SAWMILLING (1 1/2 YEARS) AND MANAGEMENT ACCOUNTING (2 1/2 YEARS). MAINTENANCE ENGINEERING SPECIALIST WILL BE RECRUITED BY APRIL 1, 1977 WITH OTHER CONSULTANTS TO BE RECRUITED LATER. DRAFT TERMS OF REFERENCE FOR CONSULTANTS ARE AS FOLLOWS:

1) MANAGEMENT CONSULTANT WILL ASSIST IN:

(A) THE SETTING UP OF COMPLETE PROCEDURES FOR THE PROCUREMENT, DISTRIBUTION AND CONTROL OF ALL MACHINERY EQUIPMENT, SPARE PARTS, STOCK AND SUPPLIES.

(B) THE DESIGN OF NEW ACCOUNTING SYSTEMS AND PROCEDURES AND TRAINING AND IMPLEMENTATION OF THE NEW SYSTEMS AND PROCEDURES;

(C) THE ESTABLISHMENT OF AN APPROPRIATE BUDGET SYSTEM AND INTRODUCTION OF COST CONTROL SYSTEM;

(D) THE SETTING UP OF A PRACTICAL MANAGEMENT INFORMATION SYSTEM WITHIN THE SAGAING DIVISION;

(E) THE SETTING UP OF AN INTERNAL AUDIT SYSTEM FOR THE PROPER ACCOUNTING AND INVENTORY MANAGEMENT;

(F) THE SETTING UP OF A SUITABLE ACCOUNTING AND COST ACCOUNTS UNITS AND TRAINING OF ACCOUNTING STAFF;

(G) THE PREPARATION OF OPENING BALANCE SHEET OF THE DIVISION; AND

(H) THE PREPARATION OF INCENTIVE SCHEME ON THE BASIS OF JOB PERFORMANCE.

QUALIFICATIONS REQUIRED:

(A) HAS A UNIVERSITY DEGREE IN BUSINESS ADMINISTRATION AND/OR ACCOUNTING;

(B) HAS AT LEAST FIVE YEARS POST-QUALIFICATION EXPERIENCE

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IN SUPPLIES PROCUREMENT AND ACCOUNTING FOR A LARGE AGRO-INDUSTRIAL COMPANY, PREFERABLY IN TIMBER INDUSTRY;

(C) HAS WORKED IN TROPICAL COUNTRIES FOR AT LEAST THREE YEARS; AND

(D) ABLE TO TRAVEL FREQUENTLY AND TO STAY AT WORK SITES AND IN THE FOREST.

(2) MAINTENANCE ENGINEERING SPECIALIST WILL ASSIST IN:

(A) THE PROPER SETTING UP OF THE AGENCY WORKSHOPS

WITHIN THE SAGAING DIVISION;

(B) THE SELECTION OF SUITABLE WORKSHOP EQUIPMENT;

(C) LIAISON WITH OTHER MANAGEMENT STAFF IN THE
PROCUREMENT OF THE SPARE PARTS NECESSARY TO REHABILITATE
THE EQUIPMENT EXISTING IN THE PROJECT AREA;

(D) THE MAINTENANCE AND REPAIR OF ALL THE EQUIPMENT
HELD IN THE PROJECT AREA TOGETHER WITH THE SETTING UP OF
PROPER MACHINE RECORDS;

(E) ON-THE-JOB TRAINING OF WORKSHOP ENGINEERS,
FOREMEN AND MECHANICS;

(F) THE PREPARATION OF BUDGETS AND BE RESPONSIBLE
FOR THE SETTING UP OF PROPER WORK RECORDS AND COSTING
SYSTEMS TO CONTROL EXPENDITURE WITHIN THE BUDGET;

(G) THE SELECTION OF TECHNICAL STAFF; AND

(H) THE OVERSEAS TRAINING OF SELECTED WORKSHOP
ENGINEERS.

QUALIFICATIONS REQUIRED:

(A) HAS A UNIVERSITY DEGREE IN MECHANICAL ENGINEERING
OR A MEMBER OF RECOGNIZED INSTITUTE OF MECHANICAL ENGINEER-
ING WITH NO LESS THAN TEN YEARS POST-QUALIFICATION EXPERIENCE;

(B) HAS NO LESS THAN TEN YEARS EXPERIENCE IN THE
REPAIR AND MAINTENANCE OF HEAVY-DUTY EARTHMOVING AND TIMBER
EXTRACTION MACHINERY AND EQUIPMENT;

(C) HAS EXPERIENCE IN:

(I) SETTING UP OF COMPLETE WORKSHOP FACILITIES
OF THE TYPE REQUIRED BY THE AGENCIES,

(II) SETTING UP OF AN OFFICIAL STOCK CONTROL
OF SPARE PARTS,

(III) ESTABLISHMENT OF EQUIPMENT MAINTENANCE AND
REPAIR RECORDS TOGETHER WITH JOB COSTING METHODS,

(IV) EVALUATION OF EQUIPMENT FOR REPAIRS AND
MAINTENANCE TOGETHER WITH THE APPROPRIATE SCHEDULES.

(D) HAS KNOWLEDGE OF TIMBER EXTRACTION AND TRANS-
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PORTATION WITH NO LESS THAN THREE YEARS IN TROPICAL HARDWOOD
FORESTS; AND

(E) ABLE TO UNDERTAKE THE REQUISITE TRAVEL AND TS
REMAIN IN THE FO
REST FOR THE LENGTH OF PERIODS NECESSARY
TO PERFORM HIS DUTIES.

(3) ROAD ENGINEER WILL ASSIST IN:

(A) ROAD CONSTRUCTION AND TRANSPORTATION;

(B) THE PLANNING AND CONSTRUCTION AND MAINTENANCE
OF ACCESS AND FEEDER ROADS;

(C) THE SELECTION OF CONSTRUCTION MACHINERY, TOOLS
AND SUPPLIES;

(D) LIAISON WITH THE MAINTENANCE ENGINEERING
SPECIALIST IN RESPECT OF PROPER MAINTENANCE AND MACHINE
RECORDS OF EQUIPMENT;

(E) THE SELECTION OF TECHNICAL STAFF AND OTHER
ROAD CONSTRUCTION PERSONNEL;

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INFO OCT-01 EA-09 ISO-00 EB-07 AGR-10 IO-13 AID-05 TRSE-00

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(F) ON-THE-JOB TRAINING PROGRAMS FOR ALL ROAD
CONSTRUCTION PERSONNEL;

(G) PREPARATION OF ROAD BUDGETS;

(H) THE SETTING UP OF PROPER WORK RECORDS AND COSTING
SYSTEMS TO CONTROL EXPENDITURE AND OPERATING COSTS WITHIN THE
BUDGET;

(I) THE PLANNING AND ORGANIZATION OF TRANSPORT AND
RAFTING OF LOGS AND SAWNWOOD FROM THE PROJECT AREA; AND

(J) THE SELECTION OF LOGGING TRUCKS.

QUALIFICATIONS REQUIRED:

(A) HAS A UNIVERSITY DEGREE IN CIVIL ENGINEERING OR
A MEMBER OF A RECOGNIZED INSTITUTE OF CIVIL ENGINEERS WITH
NO LESS THAN TEN YEARS POST-QUALIFICATION EXPERIENCE;

(B) HAS EXTENSIVE EXPERIENCE AND TECHNICAL
PROFICIENT IN:

(I) EQUIPMENT UTILIZATION,

(II) ROAD SURVEY AND DESIGN,

(III) EVALUATION OF SOIL TYPES AND THEIR PROPER
USE IN ROAD CONSTRUCTION MATERIAL,

(IV) DRAINING CHARACTERISTICS AND DESIGN OF
STRUCTURES,

(V) PLANNING AND MACHINE TIME SCHEDULING,

(VI) ROAD MAINTENANCE AND COSTING

(C) HAS WORKED FOR ACCESS ROAD CONSTRUCTION IN
TROPICAL COUNTRIES FOR NOT LESS THAN THREE YEARS;

(D) HAS A WODE KNOWLEDGE OF TIMBER EXTRACTION AND
TRANSPORTATION FOR NOT LESS THAN THREE YEARS; AND
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(E) ABLE TO UNDERTAKE THE REQUISITE TRAVEL WITHIN
THE PROJECT AREA AND REMAIN IN THE FOREST FOR THE LENGTH
OF PERIODS NECESSARY TO IMPLEMENT HIS DUTIES.

(4) HARDWOOD UTILIZATION DEVELOPMENT SPECIALIST WILL
ASSIST IN:

(A) THE DEVELOPMENT OF HARDWOOD UTILIZATION;

(B) PLANNING OVERSEAS TRAINING FOR THE LOCAL STAFF;

(C) THE PLANNING OF SAWMILL REHABILITATION IN THE
PROJECT AREA, INCLUDING THE INSTALLATION OF AIR AND KILN
DRYING FACILITIES AND PRESERVATION PLANTYMV

(D) THE PREPARATION OF MODERNIZATION PROGRAM FOR
SELECTIVE SAWMILLS; AND

((81)STHE DKVELOPMENT OF HARDWOOD LOG AND SAWNWOOD
GRADING RULES AND THE PROVISION OF PRACTICAL TRAINING FOR
GREEN-CHAIN GRADERS.

QUALIFICATIONS REQUIRED:

(A) HAS A UNIVERSITY DEGREE OR EQUIVALENT IN FORESTRY,
WOOD SCIENCE OR ENGINEERING;

(B) HAS AN EXTENSIVE KNOWLEDGE OF THE PROPERTIES
AND USED OF TROPICAL HARDWOOD TIMBERS;

(C) HAS EXTENSIVE EXPERIENCE OF TIMBER DRYING,
PRESERVATION AND HANDLING;

(D) HAS KNOWLEDGE IN CURRENT HARDWOOD SAWMILLING
AND MANAGEMENT TECHNIQUES AND FAMILIAR WITH THE WOPKING
CONDITIONS IN ASIA; AND

(E) CAPABLE OF IMPARTING, BY EXAMPLE RATHER THAN
PRECEPT, SAWMILLING, ENGINEERING WOMRX S MANAGEMENT, SEASONING
AND WOOD PRESERVATION EXPERTISE TO BURMESE COUNTERPARTS.

4. PROPOSED LOAN WILL PROVIDE DIRECT SALES OPPORTUNITY FOR
U.S. SUPPLIERS OF TRACTORS, EXTRACTION EQUIPMENT, WORKSHOP
EQUIPMENT AND ROAD CONSTRUCTION EQUIPMENT. PROCUREMENT WILL
BE THROUGH INTERNATIONAL COMPETITIVE TENDER IN ACCORDANCE
WITH ADB PROCUREMTNT GUIDELINES. LIST OF EQUIPMENT TO BE
PROCURED UNDER THE LOAN INCLUDES:

DESCRIPTION -----	NUMBER
CRAWLER TRACTOR 300HP C/W RIPPER	2
CRAWLER TRACTOR 200HP C/W RIPPER	2
TRACTOR SHOVECS130HP	2
MOTOR GRADER	4
GRID ROLLER	2

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FOUR-WHEEL DRIVE TRACTOR 140HP	2
TIPPER 10-TON	24
JEEP	2
PICKUP	4
PILE DRIVER	2
LOW LOADER	2
FUEL BOWSER	RU 2
GENERATING SET 45KW	2
AIR COMPRESSOR 162CFM	2
PNEUMATIC DRILLS (3 PER SET)	2 SETS
ANCILLARY ITEMS	2 SETS
CRAWLER TRACTOR	16
SKIDDER	2
LOG LOADER	10
TIPPER	1
TRANSPORT VEHICLE	22
GRADER	4
LOGGING TRUCK 10T	110
LOGGINGTRUCK 20T	10
MARINE ENGINE	4
CRAWLER TRACTOR 140HP WITH WINCHES	20
SKIDDER 140HP	40
CHAINSAW	S180
TRANSPORT VEHICLE	4
LOG LOADER 130HP C/W WINCHES	30
LOGGING TRUCK 15-TON	100
LOGGING TRUCK 20-TON	10
INSPECTION VEHICLE	14
FUEL BOWSER 2000 LITERS	14
POLYPROPYLENE ROPES	10,000 COILS
SHORT LINK CHAINES	60 TONS
STEEL FLEXIBLE ROPES	870 COILS
WIRE ROPE GRIPS	1,008,1
MARINE ENGINES 120HP C/W GEAR BOXES	20 UNITS.
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Message Attributes

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